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# Republican Policy Committee

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## The Cost of Delay: The Filibuster of H.R. 1944

*"You are hurting the very people you are trying to help."*

Senator Mark Hatfield, *Cong. Rec.*, 6/30/95

*"I hope we will not cut off our nose to spite our face....I plead with Senators that it means heavier losses in your programs..."*

Senator Robert Byrd, *Cong. Rec.*, 6/30/95

Perhaps the greatest irony in this year's battle over deficit reduction is the recent attempt to prevent passage of the compromise rescission bill in the Senate. Despite the expressed desire of certain Senators to prevent cuts to the Low Income Home Energy Assistance Program (LIHEAP) and certain education programs in the 1995 supplemental appropriations cycle, the result will be even greater cuts for these programs and others like them in Fiscal Year 1996.

After the President's June 7 veto of H.R. 1158, Senate and House appropriators reached a compromise rescission package (H.R. 1944) with the White House that restored the cuts the President found most objectionable. The House passed H.R. 1944 on June 29 (276-151). On June 30, Senators Wellstone and Moseley-Braun blocked passage of the bill in the Senate citing concerns over cuts in the LIHEAP and certain education programs. The fate of that bill is now uncertain.

Although the Senate has sought to resolve the stalemate, the July 11 *Congress Daily* quoted Senator Wellstone as saying: "We want the opportunity to offer amendments...I hold to that."

### Education and LIHEAP in H.R. 1944

- H.R. 1944 restores \$370 million in education funding that would have been rescinded in the vetoed bill. Among the specific add-backs is additional funding for federal direct student loans, education for the disadvantaged, school improvement, vocational and adult education, and education research.

- LIHEAP is cut \$319 million. That is less than half the cut that President Clinton proposed to this program back in his first budget (from \$1.346 billion in actual spending for FY 1993 to his proposed \$730 million for FY 1994). Even with H.R. 1944's reduction, this program that originally was intended as temporary will remain a billion-dollar-a-year program.

## **You Always Hurt the One You Love...**

Senators Wellstone and Moseley-Braun are practicing a perverse kind of "tough love" by holding up the supplemental appropriations and rescission bill. Not only is their action holding up disaster relief money for Northridge, California earthquake victims, Oklahoma City bomb victims, and disaster relief to many other states, but its net effect will be to require even greater cuts in 1996, including the very programs they seek to protect.

The FY 1996 budget resolution conference report sets overall spending caps for the next seven years. However, spending does not necessarily take place only in the year for which it is budgeted.

- Spending in the federal budget is measured in two separate ways — budget authority (BA) and outlays (OL). Outlays for many programs do not take place in the fiscal year for which they are allocated. The result is that some outlays spill over into subsequent budget years. LIHEAP is a case in point because it is "advance-funded" (i.e., its current year funding is appropriated in the prior year) so none of its spending takes place until the subsequent year.
- Because of spending caps in BA and outlays (which have been the hallmark of budget resolutions for the last several years), unless the spending flow is cut off quickly by H.R. 1944, the spillover of outlays from 1995 into 1996 and later years will further handcuff appropriators by effectively reducing the amounts available for appropriation. While the amount itself will not be changed, FY 1995's earlier spending commitments will consume a larger portion of the FY 1996 amount.
- The appropriators' only response will be to cut more from the spending over which they do retain control — FY 1996 BA. However because outlays often lag behind BA (sometimes by considerable amounts) the resulting cuts in BA will have to exceed the outlay spillover. Again, LIHEAP is an excellent example because almost all its spending takes place in the year for which it is appropriated (i.e., \$100 in BA virtually equals \$100 in outlays), thus requiring even deeper cuts in those programs where this match is not as close such as education for the handicapped (where \$100 in BA reduction only equals approximately \$12 in outlay savings).

- In addition, these deeper cuts will have to come from the nondefense discretionary portion of the budget. If H.R. 1944 is quickly enacted, it will free up \$3.1 billion in outlays in this area. If it is not, the effective result will be a further \$3.1 billion cut in nondefense discretionary spending.

The end result is that the outlay spillover will find its way back to the same area of the budget from where it came as greatly increased cuts.

## **The Clock is Running**

- H.R. 1944 is a bipartisan compromise agreed to by the White House and House and Senate negotiators from both parties.
- H.R. 1944 contains the funding for victims of the California earthquake, the Oklahoma City bombing, and victims of disasters in many other states. The delay of this bill makes them victims a second time.
- Delay makes no sense.
  - The cuts not made now will result in redoubled ones in FY 1996 in precisely the same spending areas.
  - The longer the delay, the worse the cuts will be as more of H.R. 1944's spending spills into FY 1996.
- H.R. 1944's delay increases the likelihood that appropriators will have to go back and redo significant portions of their work at a time when they already are behind schedule. This in turn increases the possibility that:
  - Appropriations bills may have to be bundled together into a huge omnibus bill that will give the President even less flexibility in accepting or rejecting.
  - Continuing resolutions ("CRs") will have to be used to keep the government running while appropriations bills are finalized.
  - The government will be subjected to uncertainty and those most dependent on it — again, those whom Senators Wellstone and Moseley-Braun claim to be concerned about — will be most affected.
- Time is money in the case of this rescissions bill. And, those who can least afford it will pay.

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